Previous references.

Genl Fee 2 G 1891-92 ~~100~~ 1891-2 ✓

(Genl Fuciiee.)

File No. 5 G 1891-2

Serial Nos. 1 — 9

Later references.

Gen Fin 60 G 1892-3.

GENERAL AND REVENUE SECRETARIAT.

R 38 (E)

Serial Nos. 1 — 9

Part B. for

Indexed 92

SUBJECT.

Application for revision of the terms of the agreement for the loan made by Govt. to the Maharajas Mysore Spinning & Manufacturing Company.

Table of contents:

1 & 7 No of 12th April 1892, From the Agents Maharaja's Mysore Spinning & Manufacturing Co.

States that owing to the famine, they have been compelled to stop work in the Mills & requests to take their case into Consideration by revising the loan agreement.

1 & 2 No. 2175/20 of 9th May 1892. To the Agents, Spinning & Manf. Co

Informs that the proposals made by them are unreasonable & that, unless they state the minimum amount which the Mills will pay monthly or half-yearly, the Dewan will decide whether or not arrangements should be made for such payments.

G. R. S. 58

Sl. 3, No. – dy 13th. May 1892, from Messrs J. Scott & Co Agents of the Spinning Mill Co

States that they will pay Rs 7500/- once in every six months or 15000/- a year & that they will also undertake to reduce the loan this year to two lacs Nett, paying off interest due to date thus reducing Original loan to Rs 50,000.

Sl. 4, No 9237 / G. 2232-92 dy 22nd Dec. 1892, To the Same.

Informs that the above proposal is unreasonable & cannot be entertained & requests that early steps may be taken for giving effect to the terms already agreed to in March 1888.

Sl. 5 No. – dy. 31. 12. 1892, From the Same Agents

State that they are willing to enter into any reasonable agreement for the purpose of liquidating the balance due to the Govt. from the profits of the Company yearly.

Sl. 6. No. 11260 / dy 12. 1. 93 To the Agents of the Company

Calls for certain information in the matter,

Sl. 7, No. – dy 16. 1. 93. From the Same.

Submits a statement summarising the requests & wishes of the allottees since 1885.

8. No. 11829 dy 16. 1. 93, To the Same.

Invites his attention to Sl. no. 6 & enquires when the information called for will be submitted.

Sl 9. No – dy 17. 1. 93. From the Same.

Furnishes the information called for in Sl. no. 6

Gl. Fin. 5 of 1891-2

(General Serial No. 20)

Serial No. 1

1892

OFFICE OF THE DEWAN OF MYSORE
700
13 APR 92

From The Agent of Mysore
Maharajah of Mysore
Superintending Engineer
Bangalore

To

Dated 12 April/92

Despatched

Received

Enclosures No.

General No.

No.

Stating that owing to the famine, they have been compelled to stop work on the Mill and requesting to state their case into consideration by revising the loan agreement.

Sub'd for Dewan's Order

Otto 4/5

82

I consider
Reply that the proposal
made unreasonable,
because because it
specifies no time for
repayment & the Govt
cannot be expected to
be content with a promise
of repayment when the
Mills may be able to afford it.
The unfavorable season on
plant-year can injurious effect-
has had no doubt upon
the Mills present ability
to pay the present
instalments, but that
is no reason for an
indefinite postponement.
~~of the any thing~~
Request him therefore to
~~Say if~~ state the minimum
amt. which the Mills
will pay Monthly or
half yearly - upon receipt
of this information I will
decide whether we shall
accept such payments
or advise the Mills
to raise money else
where to fulfil their
present Engagements

8/5/92

Draft to
SR 8/5/92 131
21-4-92

MAHARAJAH OF MYSORE SP.
12th April
1892.
MANUFACTURING CO. LD. BANG

892

K. Sheshadri Iyer Esq C.S.I.
Dewan of Mysore.
Bangalore.

Dear Sir,

Regarding the loan from the Mys Government, it has been reduced from Rs 250,00 to Rs 215,000/- The famine has compelled us to two thirds of our looms and we have stopped the whole of the Mill for the last 4 days as sales almost nil. We must now resort to short as it is impossible to go on with increasing St

We believe the other local Mill has running short time for some time and holds stocks. We trust therefore ask you to take our into consideration by revising the loan agreement

Our proposition is this:- We will re the loan to 2 lacs nett. Then if the Governmen allow 2 lacs to remain as it is at 6% just mo and not bind the Company to pay off any of the pal until it is in a position to do so

Such a revision as this will suit th and at the same time the Government has the just on a working profit, good value for 9 lacs of Rupe

Referring to the terms of the loan:- instalments of Rs 40,000/- 1893, Rs 50,000/- 1894. This is impo impossible, and will not work unless we raise a fr loan to pay off the Government, and that we do n wish to do as we could not borrow money at an like 6%. - Therefore as the Mill is in the State of M and is a valuable institution to the State and its

(2.)

We trust you will give us a favorable reply.

We might add that, if there is any surplus any year after paying 10%, we would reduce the loan to that extent if the Govern desire it.

In conclusion if the Government oblige us so far, we will then very shortly be in position to pay off Mr. Encatawada Syrangas ons lac for working capital from the stock h has against it, thus diminishing a very heav Interest Account.

Trusting to hear from you at yo very earliest-

We remain, Sir,

Yours faithfully,

Scott &

Agents.

J
11-131

F

(General Serial No. 30.)

1892-93

84

83

From

To Messrs J. Scott and Co
Agents, Maharajah of
Mysore Spinning and
Manufacturing Co Ld
Bangalore

Dated 9th
Despatched 9th } May 1892.
Received

Enclosures No.

General No. 2175 / Serial 2.
No 20

Informing that the proposals made by them for revising their loan agreement with the Govt are unreasonable, and that on their stating the minimum amount which the Mill will pay monthly or half yearly, the Diwan will decide whether or not the Govt should receive such payments.

From the Secretary

85

No. 2175 dt. 9/5/92.

R 9.

Serial-2.

To.

Messers J. Scott & Co.

Agents Maharaja of

Mysore Spinning &

manufacturing Co. Ltd

Bangalore

Gentlemen.

I am directed by the Dewan to acknowledge receipt of your letter of 12th ultimo in which, owing to reduction or stoppage of work at the mills, you ask that your loan agreement with the Government may be revised on the lines indicated therein.

2. In reply I am to say that the Dewan considers the proposal made to be unreasonable, because it specifies no time for repayment of the loan, and the Government cannot

cannot be expected to be content with a promise of repayment when the Mill is able to afford it. The unfavourable season of last year has had no doubt an injurious effect upon the Mills' present ability to pay the prescribed instalments, but that, I am to point out, is no reason for an indefinite postponement

3. I am to request you therefore to state the minimum amount which the Mill will pay monthly or half yearly. On receipt of this information, the Dewan will decide whether Government should receive such payments or advise the Mill to raise money elsewhere to fulfil present engagements.

I have &c.

Chief Secretary

(General Serial No. 30.)

1892.

OFFICE OF THE DEWAN OF MYSORE
1856
13 MAY 92
46

From
Messrs J. Scott & Co
Agents Maharaja of Mysore
To Spinning & Manufg Co.
Ltd Bangalore

Dated 13th May 1892.

Despatched

Received

Enclosures No.

General No.
No.

Stating that they will pay once in Rs 7,500/- every 6 months or 15000/- a year and that they will also undertake to reduce the Loan this year to two lacs nett, paying off all interest due to date, thus reducing original loan by Rs 50,000/-

Submitted.

The amount of the loan advanced in March 1888 by Govt was Rs. 2,50,000. Subsequent payments (Rs 20000 in May 1891 and Rs 14,100 in Jany. 1892, in all Rs 34,100) have reduced the loan to Rs 2,15,900 on 1st Jany 1892. Interest up to 1st Jany 1892 has been paid up-

For the liquidation of the debt Mr Scott proposes to pay Rs. 15,900 in Dec 92 and pay thereafter Rs 15000 every year. This will take 13·3 years for the discharge of the debt. Interest will of course be paid every half year as stipulated for.

As per Pro: No 2729-30 dated 6th March 88, the whole debt was to be discharged by Dec. 1892.

Mrk

19/5/92

MWL for Dewans orders

Dewan's order dated 9th Dec/92

"Proposal unreasonable. Entire surplus profits must be paid to Govt. Some more reasonable arrangement if proposed will be considered" - K.S.

Mrk

W. Hayes. Draft according/S.
Mrk

Draft sub.
21/12

16-5-92

Serial No. 3.

The Chief Secretary.
To The Dewan of Mysore.
Bangalore.

Dear Sir,

—Government Loan.—

In answer to your letter No. 215/20 dt. 9th inst.
There is only one question you ask us to answer, viz;
lowest minimum amount we are prepared to pay ev
six months.— We will pay Rs.7500/-, or Rs.15000/- per
This will be the minimum amount with a proviso
the Company may pay more if it is in a position
We will also undertake to reduce the
this year to two lacs nett, paying off all interest d
date; thus reducing original loan by Rs.50,000/-— Re
terms to begin in 1895.— Rs.15,000/- falling due at the end
that year.

We consider this will work well, and w
see that it is carried out to the letter.

It is needless for us to say that the Sec
is far beyond risk with a loan of two lacs; as the
is good value for nine lacs of rupees as a working
At the same time we fully appreciate the advantag
to the Company of such a loan at 6 per cent, which
could not obtain elsewhere at such a figure.

Trusting to have your favorable and early reply.

We remain, Yours faithfully
Watt & Co

Regr. lecture in the refer
Mrs
1976

Lie Submitted
DPB
16-5-92

V.

Dated 22nd December 1892.

92

To. Messrs. J. Scott & Co.
Agents
Maharaja of Mysore
Spinning & Manufac-
-turing Company Ld
Bangalore.

Sirs,

I am directed to acknowledge the receipt of your letter of the 13th. May last, stating that towards the liquidation of the ~~loan~~ debt of Rs. 2,15,900 ~~~~ payable to Govt. by the Maharaja of Mysore Spinning and Manufacturing Company Ld, Rs. 15,900 would be paid in Decr. 1892, and that the debt would be discharged by annual payments of Rs 15,000/- thereafter, interest being paid half yearly as stipulated for

2. In reply, I am

No 9237.
G. 2232-92 | 22nd Dec 1892

Sl. 4.

From the Secretary to Govt. of Mysore — No: — of 31-12-92

Post
C 3056

85

desired to inform you that the above proposal is unreasonable and cannot be entertained. According to the terms on which the loan in question was advanced by Govt, it became due in December 1892, and I am to request that early steps may be taken for giving effect to the terms agreed to in March 1888. If the Company be unable to discharge the debt at once, any reasonable proposals under which the whole of the surplus profits of the Company will be paid to Govt, may be submitted for the consideration and orders of the Govt.

I am to request your early attention to this matter.

I have &c.

Chf Secy.

Draft for April

Mem 21/12

Sl. 5.

(General Serial No. 30.)

OFFICE OF THE DEWAN OF MYSORE
705-5-
9 - JAN. 93
G 3036

189

From Messrs: Scott: & Co
Agents of the Maha Raja
of Mysore Spinning and
To Manufacturing Company (Ltd).

The Chief Secretary to the
Dewan of Mysore.

Dated 31st December 1892

Despatched

Received

Enclosures No.

General No.

No.

State that they are willing to enter into any reasonable arrangement for the purpose of liquidating the balance due to the Government from the profits of the Company yearly.

Sir

References submitted for orders

9/1/93 O/C Dewan

References to be marked.

I do not find the final agreement a deed of note in 2½ cases in this file - there is only the agreement when Govt. was ordered. Let me have the final agreement & deed

Mysore Govt. C. Press, Bangalore.—21-12-92.—2000.

11/1/93

Note: The above made in

The following documents obtained from the Huzur Treasury where they had been deposited, are herewith submitted as directed above, in a sealed cover.

1. Deed dy 22d October 1888.
2. Deed dy 8th March 1889.
3. Deed dy 24th Janry 1890.

Mr

11/1/93

Submitted to the O/C Dewan

Sd 12/1

[The orgl Docts are stated to have been withdrawn by the Karnatic Bank Ltd by the Karnatic Bank Ltd by Mr Lewis for Mr Langford - they have forwarded letter to Huzur Sheristadar to search further orgl Docts in Huzur Sd 17/1

Avant

Copy of letter

9/1/93

Sd

Note sent for the Docts

Docts & Copy of letter 9/1/93

Docts in this file

Sd

7/1

Secretaries, Treasurers, and Agents:
JAS. SCOTT & CO.

THE MAHARAJAH OF MYSORE SPINNING & MANUFACTURING COMPANY LIMITED.

Bangalore, 2nd December 1892.

H. Shesha Iyer Esq C.S.I.
Diwan
to H.H. The Maharajah of Mysore
Calcutta.

Dear Sir,

We enclose printed letter for your very serious and prompt attention.

It is needless for us to point out to you the very serious effect of the Income of 1892/93 which you have dealt with at length in your address on behalf of H.H. Maharajah of Mysore to the Representative Assembly at the Dasara this year.

We are suffering more from the effect of the Famine [illegible], caused by the failure of the local Cotton Crops causing us to draw our supplies from very long distances. This combined with [illegible] April 1892, when No. 1 Cotton is, and during last three great over-sold prices.

We may point out that, as per year (1892), [illegible] towards provision for and [illegible]. total £20,000-3-10. The interest for the last six months ending 31st Dec. viz: £617. we will pay at once. Thus it will observe we will have paid a sum of £21,017-3-10 for 1892, as well as paid [illegible] extra machinery.

Owing to the greater [illegible]

Secretaries, Treasurers, and Agents:
JAS. SCOTT & CO.

THE MAHARAJAH OF MYSORE SPINNING & MANUFACTURING COMPANY LIMITED.

Bangalore, 2nd December 1898.

(2.)

The new Ring Frames which are absolutely ne
way. The cost of the machinery erected
about £15,000 sterling and total payments pro
the year 1898 £15,000-0-0.

Seeing that very heavy payments a
the earliest period we think you will advise you
Chief Secretary by wire or otherwise not to sanc
loans or sublease the Company for the other
£15,000, as £10,000 was to be paid on 31st Dec
getting the Mamlat did not proceed on. Tha
has not been completed by just on the eve
Board, he would, even on the floor of the Hou
have disputed our promise.

Please also read with great
the proposed terms enclosed herein. Most of
terms as we think you will give definite reply
with utmost speed with a view to completion
the preferential Mamlat proposed either wit
or by some modification which may
best to the Government.

We are satisfied that the comp
we have offered will enable the Company
pay a handsome Dividend yearly, and
think the Government will not lose
opportunity of having a stronghold of such
which we are convinced would be for
advantage of the State, and we should not
be supported by the Government of India
Such support be required.

Secretaries, Treasurers, and Agents:

JAS. SCOTT & CO.

THE MAHARAJAH OF MYSORE SPINNING & MANUFACTURING COMPANY LIMITED.

Bangalore, 21st December 189

(2)

Trusting to hear favorably
We are, Sir,
Yours very truly
Scott & Co
Agents.

The Maharajah of Mysore Spinning and Manufacturing Company, (Ld.)

Bangalore, 31st December 1892.

T. ANANDA RAO Esq.,

Chief Secretary,

To The Dewan of Mysore,

Bangalore.

Sir,

Your letter No. 9237 dated $\frac{9th}{24th}$ December 1892 reached us on 25th Instant, and in reply we beg to say that, we are willing and will be glad to enter into any reasonable arrangement for the purpose of liquidating the balance due to the Government from the profits of the Company yearly.

We have to admit that, if the Government pressed the Company at the present moment it might lead up to considerable embarrassments seeing that the Company has just passed through successfully, and we may say beyond expectation, the effects of a very severe famine; where it should be noted, that yarn was never so *low priced* and Cotton at its *highest point* making it impossible for any Mill under the same conditions to show a profit. And the surprise is that the result and loss is so trifling.

We may also bring the following points before the Government for their consideration:— The Company was compelled this year, 1892, to add about Rs 15000 worth of extra Machinery in the Weaving and Preparatory Departments as they were absolutely required for the new Ring Frames. This sum alone would have liquidated the Rs 15000 odd now due, but which of course now goes to strengthen the Government Security; or in other words, is equivalent to payment, as there is that extra value.

15,000/.

If the Government feels inclined to show the forbearance the Company expects, we are willing that all the profits dating from January 1893 should be paid towards the debts of the Company in equal proportions according to the debts outstanding, viz; in all about 4½ Lacs of Rupees, which includes the Debentures, and in fact includes all. Or if the Government will advance this amount, which is inclusive of the 2 Lacs and 15000 Rupees now due, at say, 3 or 4 per cent Interest, Messrs: Scott & Co. on their part, will relinquish their right to the Agency; thus yielding up a direct saving of Rs 25000 per annum. The amount thus saved by Interest, 4% against 8% average, which the Company now pays, would be another direct saving of Rs16000 per annum, and the Company would thus have Rs41,000 to the good yearly, more than it has now

It ought to be patent to the Government, that if this Mill was directed by a highly respectable local Committee apointed by the Government, the Company would at once regain its reputation, and be one of the best Institutions in this country. As a proof of this, it will be seen from the Balance Sheets, that the Company has had extraordinary vitality to have stood the storm so well under very adverse and unfortunate circumstances. It has never paid less than an average of 8% on the whole of the borrowed Capital for extension, which conpled with Working Capital, amounts to over 6 Lacs of Rupees yearly, on which 8% has been paid.

In further proof of the vitality of the Mill, it ought to be perpectly convincing to the Government, that if the Agents voluntarily give up an annuity of Rs 25000 per annum, and are willing to leave their 2 Lacs of Rupees worth of Shares to their fate, this ought in itself to inspire the Government that the Mill is a first class concern. And if a strong local and highly respectable Committee be formed, it will prove to be an Institution worthy of its title, viz; "THE MAHARAJAH OF MYSORE MILL."

His Highness laid the foundation stone and initiated himself with a large Industry employing 800 of his subjects, and its entire success now depends upon the Government of Mysore.

The value of the property now, roughly speaking, as a going concern is R 1,100,000. Exchange being now at 40% discount. Bearing in mind that it takes 2 years to build and equip a Mill, and another year to find Markets for its goods: — all this has been accomplished, and the Mill today is practically new, and will compare favorably with any other of its kind in India.

Trusting after this explanation the Government will give this question very serious consideration, Mr. Scott is anxious to leave for England at once, having very important engagements there.

If the propositions are not altogether in keeping with the views of the Government, and if a Committee be appointed; Mr. Scott, the Agent, will gladly meet them to put every thing on a solid basis before he leaves.

Lastly, it is for the Government to consider whether such a property valued at 11 Lacs of Rupees is a safe Security for an advance of 4½ or 5 Lacs. Moreso, seeing that it is in the State of Mysore and at the door of the Government.

We remain,

Your Obedient Servants,

Agents.

P. S.—Rupees 25,000 yielded up by the Agents pays 5% per annum on 5 Lacs of Rupees, and Rs 16,000 balance of Interest, if the Government reduce the Interest to 4% on 4 Lacs more. Therefore the Shareholders are all bound to receive fair Dividends in future, even if the Mill does no better than hitherto. As the Mill is now what it never was before, thoroughly equiped with new Ring Spinning Frames as well as 187 new Looms extra, every thing is now favorable towards an important Industry.

P. P. S.—Copies have been sent to the Dewan as well as to Mr. Thumboo Chetty, the Acting Dewan.

Interest will be paid punctually for 1892 on present Loan.

The Maharajah of Mysore Spinning and Manufacturing Company, (Ld.)

Bangalore, 31st December 1892.

T. ANANDA RAO Esq.,
CHIEF SECRETARY,
TO THE DEWAN OF MYSORE,
Bangalore.

SIR,

Your letter No. 9237 dated $\frac{9th}{24th}$ December 1892 reached us on 25th Instant, and in reply we beg to say that, we are willing and will be glad to enter into any reasonable arrangement for the purpose of liquidating the balance due to the Government from the profits of the Company yearly.

We have to admit that, if the Government pressed the Company at the present moment it might lead up to considerable embarrassments seeing that the Company has just passed through successfully, and we may say beyond expectation, the effects of a very severe famine; where it should be noted, that yarn was never so *low priced* and Cotton at its *highest point* making it impossible for any Mill under the same conditions to show a profit. And the surprise is that the result and loss is so trifling.

We may also bring the following points before the Government for their consideration:— The Company was compelled this year, 1892, to add about Rs 15000 worth of extra Machinery in the Weaving and Preparatory Departments as they were absolutely required for the new Ring Frames. This sum alone would have liquidated the Rs 15000 odd now due, but which of course now goes to strengthen the Government Security; or in other words, is equivalent to payment, as there is that extra value.

If the Government feels inclimed to show the forbearance the Company expects, we are willing that all the profits dating from January 1893 should be paid towards the debts of the Company in equal proportions according to the debts outstanding, viz; in all about 4½ Lacs of Rupees, which includes the Debentures, and in fact includes all. Or if the Government will advance this amount, which is inclusive of the 2 Lacs and 15000 Rupees now due, at say, 3 or 4 per cent Interest, Messrs: Scott & Co. on their part, will relinquish their right to the Agency; thus yielding up a direct saving of Rs 25000 per annum. The amount thus saved by Interest, 4% against 8% average, which the Company now pays, would be another direct saving of Rs16000 per annum, and the Company would thus have Rs41,000 to the good yearly, more than it has now.

It ought to be patent to the Government, that if this Mill was directed by a highly respectable local Committee apointed by the Government, the Company would continue and maintain its reputation, and be one of the best Institutions in this country. As a proof of this, it will be seen from the Balance Sheets, that the Company has had extraordinary vitality to have stood the storm so well under very adverse and unfortunate circumstances. It has never paid less than an average of 8% on the whole of the borrowed Capital for extension, which conpled with Working Capital, amounts to over 6 Lacs of Rupees yearly, on which 8% has been paid.

In further proof of the vitality of the Mill, it ought to be perpectly convincing to the Government, that if the Agents voluntarily give up an annuity of Rs 25000 per annum, and are willing to leave their 2 Lacs of Rupees worth of Shares to their fate, this ought in itself to inspire the Government that the Mill is a first class concern. And if a strong local and highly respectable Committee be formed, it will prove to be an Institution worthy of its title, viz; "THE MAHARAJAH OF MYSORE MILL."

His Highness laid the foundation stone and initiated himself with a large Industry employing 800 of his subjects, and its entire success now depends upon the Government of Mysore.

The value of the property now, roughly speaking, as a going concern is R 11,00,000. Exchange being now at 40% discount. Bearing in mind that it takes 2 years to build and equip a Mill, and another year to find Markets for its goods:— all this has been accomplished, and the Mill today is practically new, and will compare favorably with any other of its kind in India.

Trusting after this explanation the Government will give this question very serious consideration, Mr. Scott is anxious to leave for England at once, having very important engagements there.

If the propositions are not altogether in keeping with the views of the Government, and if a Committee be appointed; Mr. Scott, the Agent, will gladly meet them to put every thing on a solid basis before he leaves.

Lastly, it is for the Government to consider whether such a property valued at 11 Lacs of Rupees is a safe Security for an advance of 4½ or 5 Lacs. Moreso, seeing that it is in the State of Mysore and at the door of the Government.

We remain,

Your Obedient Servants,

Scott & Co

Agents.

P. S.—Rupees 25,000 yielded up by the Agents pays 5% per annum on 5 Lacs of Rupees, and Rs 16,000 balance of Interest, if the Government reduce the Interest to 4% on 4 Lacs more. Therefore the Shareholders are all bound to receive fair Dividends in future, even if the Mill does no better than hitherto. As the Mill is now what it never was before, thoroughly equiped with new Ring Spinning Frames as well as 187 new Looms extra, every thing is now favorable towards an important Industry.

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Bangalore, 31st December 1892.

60

T. ANANDA RAO, ESQ.,
CHIEF SECRETARY,
TO THE DEWAN OF MYSORE,
Bangalore.

SIR,

Your letter No. 9237 dated 9th / 24th December 1892 reached us on 25th Instant, and in reply we beg to say that, we are willing and will be glad to enter into any reasonable arrangement for the purpose of liquidating the balance due to the Government from the profits of the Company yearly.

We have to admit that, if the Government pressed the Company at the present moment it might lead up to considerable embarrassments seeing that the Company has just passed through successfully, and we may say beyond expectation, the effects of a very severe famine; where it should be noted, that yarn was never so *low priced* and Cotton at its *highest point* making it impossible for any Mill under the same conditions to show a profit. And the surprise is that the result and loss is so trifling.

We may also bring the following points before the Government for their consideration:— The Company was compelled this year, 1892, to add about 15000/ Rs 15000 worth of extra Machinery in the Weaving and Preparatory Departments as they were absolutely required for the new Ring Frames. This sum alone would have liquidated the Rs 15000 odd now due, but which of course now goes to strengthen the Government Security; or in other words, is equivalent to payment, as there is that extra value.

If the Government feels inclined to show the forbearance the Company expects, we are willing that all the profits dating from January 1893 should be paid towards the debts of the Company in equal proportions according to the debts outstanding, viz; in all about 4½ Lacs of Rupees, which includes the Debentures, and in fact includes all. Or if the Government will advance this amount, which is inclusive of the 2 Lacs and 15000 Rupees now due, at say, 3 or 4 per cent Interest, Messrs: Scott & Co. on their part, will relinquish their right to the Agency; thus yielding up a direct saving of Rs 25000 per annum. The amount thus saved by Interest, 4% against 8% average, which the Company now pays, would be another direct saving of Rs16000 per annum, and the Company would thus have Rs41,000 to the good yearly, more than it has now

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Lastly, it is for the Government to consider whether such a property valued at 11 Lacs of Rupees is a safe Security for an advance of 4½ or 5 Lacs. Moreso, seeing that it is in the State of Mysore and at the door of the Government.

We remain,

Your Obedient Servants.

Agents.

P. S.—Rupees 25,000 yielded up by the Agents pays 5% per annum on 5 Lacs of Rupees, and Rs 16,000 balance of Interest, if the Government reduce the Interest to 4% on 4 Lacs more. Therefore the Shareholders are all bound to receive fair Dividends in future, even if the Mill does no better than hitherto. As the Mill is now what it never was before, thoroughly equiped with new Ring Spinning Frames as well as 187 new Looms extra, every thing is now favorable towards an important Industry.

P. P. S.—Copies have been sent to the Dewan as well as to Mr. Thumboo Chetty, the Acting Dewan.

Interest will be paid punctually for 1892 on present Loan.

15

94

93

Govt of India

Govt of Mysore

11260

G.F. 305-92

9.12-1-93

13

Serial No. 6

From the honorable Letter dated 19th January 1893

To

Major Scott R.E.

&c &c

Chief Engr. &

Secy. to Govt.

Mysore Stat. Rly

Bangalore

Sir

Adverting to your letter of 31st ultimo, a counter copy of which was recd by last Exp, I am directed by the Officiating Resident to request you will be so good as to furnish information on the following points.

I. What is the amount of surplus profits on 31st Dec 1892 after paying up all charges, the agents commission and the interest due to Govt and on borrowed Capital including debentures, and Rūpees loan raised

II What is the actual

I am &c &c

accounts.

valuing the debentures
and who are
the Auditors appointed
holders thereof.

III what is the
actual amount due
to Mr Venkatramanan and
others

IV what is the actual
value of the stock &
stock in trade on hand now.

V what is the
average working capital
required for a year

VI ~~what is~~ what is the present
day cost per ton of yarn

VII what was the
outturn for the year 92

The [illegible] having
duly left the Committee to report
Thanks &

[signature]

12/1/93

1893

To Messrs Scotto & Co
Agents, the Maharaja
of Mysore Spinning
& Manufacturing Co.
Bangalore

Dated 12 January

No 11260/305-(07)

Asking for information relative to the Company

(TN 1/4)

No 94

GOVERNMENT OF MYSORE

Office of the Dewan of Mysore,
Dated Bangalore, 12th/13th January 1893

No. 11260
G. F. 305-92

From

The Chief Secretary to the
Dewan of Mysore

To,

Messrs. Scott & Co.
Agents,
Maharaja of Mysore Spinning and
Manufacturing Co. Limited.
Madras.

Sirs,

Adverting to your letter dated 31st ultimo, a corrected copy of which was received only last evening, I am directed by the Offg. Dewan to request you will be so good as to furnish information on the following points:-

I. What, according to your accounts, is the amount of surplus profits on 31st December 1892 after paying up all charges, the Agents' Commission and the interest due to Govt. and on borrowed capital including debentures, said to have been raised.

II. What is the actual value of the

the debentures and who are the present registered holders thereof.

III. What is the actual amount due to M/s Venkatavaradiengar and others.

IV. What is the actual value of the stock and stock in trade on hand now.

V. What is the average working capital required for a year.

VI. What is the present daily out-turn of yarn.

VII. What was the out-turn for the year 1892.

The favor of a very early reply to this Communication is requested.

I have &c.

(Signed) T. Ananda Row
Chief Secretary

Copy.

(General Serial No. 30.)

OFFICE
7489 –
1893. 16 JAN
3338
ORE

From Resp Secy to
Agents for the Mahakaya
of Mysore Spinning &
Manufacturing Co
Bangalore

To The Chief Secretary
to the Dewan of
Mysore

Dated 16th Jany.

Despatched

Received

Serial No. 1

Enclosures No.

General No.

No.

Enclosing Summary of
results of the working
of Mill since 1885. &c

Secretaries, Treasurers, and Agents.

J. & G. SCOTT & CO.

THE MAHARAJAH OF MYSORE SPINNING & MANUFACTURING COMPANY LIMITED.

Serial. 4 Bangalore, 16th January 1895.

J. Ananda Rao Esq
Chief Secretary
To His Deman of Mysore.
Bangalore.

Dear Sir,

Mr. Rumbee Chetty informs us that he ought to have been in possession of some letter relating to the finances of this Mill.— If such letter has been delivered here. Will you kindly see it sent on.

We herein enclose Summary of results of the working of this Mill since 1886. as well as the present value of the whole concern.

From this statement it will be seen that the entire indebtedness of the Company including all Loans, amounts to only Rupees inclusive of the Mysore Government, which is the nett amount due after crediting the Company with all movable stock of Yarn, Cloth &c.

Please put all these documents before the Government.

Yours Very truly
J. Scott & Co
Agents.

H.H. Maharajah of Mysore Bill

Statement of Liabilities - 10th January 1893

Mysore Govt Loan				215900	
Sir Venkatavaradienga'r Loan	100000				
Less Amount of Distr agencies	17703	14	8	82296	1 4
Scott & Co Manchester loan				50000	
Debenture holders Asa Lees & others				188000	
Haji Jamu Mahomed 10000 Security & Jumapah 1500/-				11500	
				547696	1 4
Deduct Movable stock as per Venkatavardenga Security Statement				152296	1
Total Liabilities of the Company after deducting stock in hand			Balance	395400	

Scott & Co

No: 11829 T. of — 98-8

To C.T. 305 98-8

16-12-93

Messrs Das Sebhoy &

Agents for the
Maharaja's Mysore
Spinning &
Manufacty Co Ltd

Bangalore

Rec'd

Respg your letter
of this day's date I beg to
forward herewith this office
letter No 11260/305 of 13th instant
addressed to you but which was
inadvertently omitted to be
sent to you forenoon as the
original ltr was addressed
to Madras by mistake —

2 Please let me know
whether I can expect a
further comm'n from
you in reply to the aforesaid
letter No 11260/305 of 13th instant —

Manager

Agents

16/12/93

(General Serial No. 30).

96

1893.

~~100~~

From *The Chief Secretary to the Dewan of Mysore.*

To Messrs: J. Scott & Co
Agents for the Maharaja of
Mysore Spirit & Manufg. Co. Ld.
Bangalore

Dated 16th
Despatched 16th } January 93
Received

Enclosures No.

General No. 11829
C. T. No. 305-92.

Referring to Copy of this Office Letter No. 11260 dated 12th instant C.T. 305-92 addressed to the Chief Secretary to the Government of Madras with a D.O. and asking whether the Chief Secretary is expecting a further Communication from the Commissioner in reply to the aforesaid Communication.

(General Serial No. 30)

OFFICE OF THE
7680
19 JAN. 93
1892/93 G 3400

From The Agents
Mahaliyal & Co. Bangalore

To Sir K. Sheshadri Iyer K.C.S.I.
~~The Chief Secretary to the~~
Dewan of Mysore.

Dated 5th January 1893

Despatched

Received

Enclosures No. 1

General No.
No.

Requesting that the printed letter addressed to the Chief Secy may be destroyed and the enclosure substituted instead.

(Note Dewan's note on the letter written)

References to be marked.

Mysore Govt. C. Press, Bangalore

Secretaries, Treasurers, and Agents:
JAS. SCOTT & CO.

Private

THE MAHARAJAH OF MYSORE SPINNING & MANUFACTURING COMPANY LIMITED.

Bangalore, 5th March 189

My dear Sir Sheshadri Iyer.

Please read the enclosed carefully and destroy the printed letter to the Chief Secretary you desired before. Keep the present one. I trust you will on your arrival in Bangalore put the Maharajah's mill on the solid footing we have prescribed. Let this be your first good work after the distinction I have merited honours which were conferred upon you. Believe me Dear Sir Yours very Sincerely J. Scott

Secretaries, Treasurers, and Agents,

JAS. SCOTT & CO.

THE MAHARAJAH OF MYSORE SPINNING & MANUFACTURING COMPANY LIMITED.

Bangalore, 6th January 1893.

Sir K. Shesadri Iyer K.C.S.I.

Dewan

To H.H. The Maharajah of Mysore,

Calcutta.

Dear Sir,

Please destroy former letter addressed to Mr Ananda Rao, Chief Secretary, as there were some clerical as well as typographical errors in the same, and substitute the enclosed herein.

Yours very truly

Scott & Co

Agents.

The Maharajah of Mysore Spinning and Manufacturing Company, (Ld.)

Bangalore, *December 1892.*

T. ANANDA RAO Esq.,
CHIEF SECRETARY,
TO THE DEWAN OF MYSORE,
Bangalore.

SIR,

Your letter No. 9237 dated $\frac{9th}{24th}$ December 1892 reached us on 25th Instant, and in reply we beg to say that, we are willing and will be glad to enter into any reasonable arrangement for the purpose of liquidating the balance due to the Government from the profits of the Company yearly.

We have to admit that, if the Government pressed the Company at the present moment it might lead up to considerable embarrassments seeing that the Company has just passed through successfully, and we may say beyond expectation, the effects of a very severe famine; where it should be noted, that yarn was never so *low priced* and Cotton at its *highest point* making it impossible for any Mill under the same conditions to show a profit. And the surprise is that the result and loss is so trifling.

We may also bring the following points before the Government for their consideration:— The Company was compelled this year, 1892, to add about Rs 15000 worth of extra Machinery in the Weaving and Preparatory Departments as they were absolutely required for the new Ring Frames. This sum alone would have liquidated the Rs 15000 odd now due, but which of course now goes to strengthen the Government Security; or in other words, is equivalent to payment, as there is that extra value.

If the Government feels inclimed to show the forbearance the Company expects, we are willing that all the profits dating from January 1893 should be paid towards the debts of the Company in equal proportions according to the debts outstanding, viz; in all about 4½ Lacs of Rupees, which includes the Debentures, and in fact includes all. Or if the Government will advance this amount, which is inclusive of the 2 Lacs and 15000 Rupees now due, at say, 3 or 4 per cent Interest, Messrs: Scott & Co. on their part, will relinquish their right to the Agency; thus yielding up a direct saving of Rs 25000 per annum. The amount thus saved by Interest, 4% against 8% average, which the Company now pays, would be another direct saving of Rs16000 per annum, and the Company would thus have Rs41,000 to the good yearly, more than it has now.

It ought to be patent to the Government, that if this Mill was directed by a highly respectable local Committee apointed by the Government, the Company would continue and maintain its reputation, and be one of the best Institutions in this country. As a proof of this, it will be seen from the Balance Sheets, that the Company has had extraordinary vitality to have stood the storm so well under very adverse and unfortunate circumstances. It has never paid less than an average of 8% on the whole of the borrowed Capital for extension, which conpled with Working Capital, amounts to over 6 Lacs of Rupees yearly, on which 8% has been paid.

In further proof of the vitality of the Mill, it ought to be perpectly convincing to the Government, that if the Agents voluntarily give up an annuity of Rs 25000 per annum, and are willing to leave their 2 Lacs of Rupees worth of Shares to their fate, this ought in itself to inspire the Government that the Mill is a first class concern. And if a strong local and highly respectable Committee be formed, it will prove to be an Institution worthy of its title, viz; "THE MAHARAJAH OF MYSORE MILL."

His Highness laid the foundation stone and initiated himself with a large Industry employing 800 of his subjects, and its entire success now depends upon the Government of Mysore.

The value of the property now, roughly speaking, as a going concern is R 11,00,000. Exchange being now at 40% discount. Bearing in mind that it takes 2 years to build and equip a Mill, and another year to find Markets for its goods:— all this has been accomplished, and the Mill today is practically new, and will compare favorably with any other of its kind in India.

Trusting after this explanation the Government will give this question very serious consideration, Mr. Scott is anxious to leave for England at once, having very important engagements there.

If the propositions are not altogether in keeping with the views of the Government, and if a Committee be appointed; Mr. Scott, the Agent, will gladly meet them to put every thing on a solid basis before he leaves.

Lastly, it is for the Government to consider whether such a property valued at 11 Lacs of Rupees is a safe Security for an advance of 4½ or 5 Lacs. Moreso, seeing that it is in the State of Mysore and at the door of the Government.

We remain,

Your Obedient Servants:

Agents.

P.S.—Rupees 25,000 yielded up by the Agents pays 5% per annum on 5 Lacs of Rupees, and Rs 16,000 balance of Interest, if the Government reduce the Interest to 4% on 4 Lacs more. Therefore the Shareholders are all bound to receive fair Dividends in future, even if the Mill does no better than hitherto. As the Mill is now what it never was before, thoroughly equiped with new Ring Spinning Frames as well as 187 new Looms extra, every thing is now favorable towards an important Industry.

P. P. S.—Copies have been sent to the Dewan as well as to Mr. Thumboo Chetty, the Acting Dewan.

Interest will be paid punctually for 1892 on present Loan.

Sl. 9

(General Serial No. 30.)

7640

18 JAN. 9

1892/93 G 3382

From The Agents
The Mahaniyal of Mysore Spinning
& Manufacturing Co. Ld

To

The Chief Secretary to the
Dewan of Mysore.

98

Dated 17 January 1893

Despatched

Received

Enclosures No.

General No.
No.

Furnishing information
in re working &c of the
Mahaniyal of Mysore Spinning
and Manufacturing Co Ld
as called for in letter of 12 Jany 93.

Subject

Submit for the Dewan's
orders —

Papers (62) & (63) furn
with information called
for by the Dewan —

Lawsons further
delay in sending this file
due entirely to the search
for getting the papers of this
Mill by the variety of
Causes & Orders passed —

26/1/93

The Dewan in
his note on the
last Sir's letter, (see
by the Chief Secy on
17/1) says that he
will look into this
matter after his
return from tour —

Submit for his
orders —

26/1/93

References submitted
Sd

The next letter on file is said to
be in the D. R. office.

19/1

References to be marked.

Mysore Govt. C. Press, Pargalore.—30-6-92—3000.

Secretaries, Treasurers, and Agents:
JAS. SCOTT & CO.

THE MAHARAJAH OF MYSORE SPINNING & MANUFACTURING COMPANY LIMITED.

Bangalore, 17th January 98

To
J. Ananda Rao Esq
Chief Secretary,
To The Dewan of Mysore
Bangalore.

Dear Sir,

Your letter No. [illegible] dated 15th January 1898

—Answers to your Queries No. 1 to 7.—

1st— We cannot give you Profit and Loss for 1897 just now, but will do so about end of January as the Audit is progressing. But we do not think there will be any Loss on the Years working even in the face of a very severe Famine, and Cotton ruling very high while Yarn was at its lowest point.

2nd— We gave you the actual value of Debentures in our last— We repeat again, Rs. 189.000/-. We enclose you herein list of Holders.

3.— We stated in our last actual amount due to Mr. Venkatananda Iyengar, we repeat again Rs. 82,500/-

Secretaries, Treasurers, and Agents:
JAS. SCOTT & CO.

THE MAHARAJAH OF MYSORE SPINNING & MANUFACTURING COMPANY LIMITED.

Bangalore, 7th January 1893.

2.

1st.— We gave you actual value of Stock and Stock in Cash in our last. We repeat again Rs. 1,63,195/-

5th.— Average Working Capital required, say, from 1½ to 2 Lacs.— But in Years free from Famine less would be required, say, 1½ Lac.

6th— Present output of Yarn and Cloth, 5000 lbs per Day; but with the New Machinery now erecting, it will be 6,000 lbs daily in the course of 6 weeks from now.—

Production true way how when Cloth sold the Cash received in hand. Above 4000 lbs per Day, now it is above upto 5000 lbs.. a Mill is a peculiar institution, which when neglected, all goes wrong and it takes one year at least to bring it round again. Now the Mill is improving every day.

7th— Outturn for 1892— 12,82,000 lbs.

Faithfully Yours.

Please attach this to our Summary Statement of Capital, Liabilities &c

Scott & Co
Agents.

(65/a)

List of Debenture Holders in the Maharaja Mill

Names	No of Debentures	@ per	Amount
John Law	10	500 Rs each	5000
Joseph Law	54	-	27000
Goodrand & Hallatt	7	-	3500
Peirce Harrower	27	-	13500
Shapurji Burjor	9	-	4500
Asa Lees & Co	80	-	40000
Isaac Alcock	4	-	2000
Col. W. W. Woodward	5	-	2500
Col. W. L. Dalrymple	4	-	2000
Ellis & Sons.	2	-	1000
Meridith Jones	4	-	2000
Butterworth & Dickinson	7	-	3500
Dixon & Sons	5	-	2500
Ariel & Scott	4	-	2000
C. N. Dalal	10	-	5000
Sir Edward Greene	27	-	13500
James Chisholm	40	-	2
Col. A. Le Mesurier	60	-	
J. Vinal	10	-	
C. Charles Gray	7	-	
Total	= 376	@ 500	1,88,000

Bangalore
17 January 1893

J. Scott
Agents